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MEMORANDUM

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TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGT

2008 JAN 16 A 8:47

AZ CORP COMMISSION
DOCKET CONTROL

DATE: January 16, 2008

RE: **UPDATED STAFF REPORT - IN THE MATTER OF THE APPLICATION OF GRINGO PASS INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE PAY TELEPHONE SERVICE (DOCKET NO. T-04191A-03-0482)**

On July 14, 2003, Gringo Pass Inc. ("GP") filed an application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide customer owned pay telephone ("COPT") service in the State of Arizona. On July 17, 2003, the Commission's Utilities Division ("Staff") sent a set of data requests to GP. On July 21, 2003, GP acknowledged receiving Staff's first set of data requests by signing and returning the certified mail "green card".

On December 20, 2005 the Hearing Division issued a Procedural Order that required Staff to file an update on the status of this matter no later than January 20, 2006, and indicate whether the matter should be administratively closed. On December 23, 2005, Staff contacted GP by telephone and was advised by GP to fax the first set of data requests to GP.

On January 5, 2006, GP filed its response to Staff's first set of data requests. Pending review of GP's response to Staff's first set of data request, Staff recommends that this docket remain open until all issues associated with this matter are resolved. On January 20, 2006, Staff submitted an update to recommend that this docket remain open until all issues associated with this matter are resolved.


On February 14, 2006, Staff received a non-docketed letter from A.E. Gay indicating that he is anxiously waiting for what is required to obtain telephone service in Lukeville, Arizona.

On March 9, 2006, Staff filed a Memorandum recommending that GPI's CC&N application be approved. On March 20, 2006, a Recommended Order was filed by the Hearing Division for the April 2006 Open Meeting.

Arizona Corporation Commission

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GPI's President, A.E. Gay, filed a letter requesting a 90-day postponement of GPI's application on March 30, 2006. On March 31, 2006, "Barry Thompson for A.E. Gay" issued a fax to confirm that GPI's matter should be put on hold until Mr. Gay requests that this docket should be reactivated.

On April 3, 2006, Staff obtained a copy of ABC Gringo, Inc.'s "Notice of Pending Administrative Dissolution" letter sent by the Corporations Division of the Commission. On April 12, 2006, A.E. Gay filed a letter stating that Mr. Gay and his wife had intended for ABC Gringo, Inc. to obtain the CC&N to manage the pay telephone operation.

On November 7, 2007, the Hearing Division issued a Procedural Order that required Staff and GPI to file a document updating the status of GPI's application and indicating when the Recommended Order filed on March 20, 2006 should be scheduled for consideration at an Open Meeting, and if not, why not.

On November 8, 2007, Staff contacted Mr. Gay to confirm his desire to reactivate his CC&N application using the name ABC Gringo, Inc. in place of Gringo Pass, Inc. Since Mr. Gay owns ABC Gringo, Inc. and Gringo Pass, Inc., he wants ABC Gringo, Inc. to obtain the CC&N to manage the pay telephone operation. Staff was advised by the Consumer Services Section of the Utilities Division that ABC Gringo, Inc. is in good standing with the Corporations Division. On November 21, 2007, Staff filed an Update Report stating that Mr. Gay wants to reactivate his CC&N application using the name ABC Gringo. In addition, Staff stated that the Recommended Order filed on March 20, 2006 should not be scheduled for consideration at an Open Meeting this time.

On December 7, 2007 the Hearing Division issued a Procedural Order to hold a telephonic procedural conference on December 13, 2007. As a result of the telephonic procedural conference, Staff sent its second set of data requests to Mr. Gay on December 13, 2007. Staff obtained and confirmed Mr. Gay's verbal responses to Staff's second set of data requests on December 19, 2007. On December 20, 2007, Staff filed with Docket Control a document memorializing Mr. Gay's verbal responses to Staff's second set of data requests. On December 21, 2007, Staff informed Ms. Annie Vejar that Staff sent a third set of data requests to Mr. Gay.

Mr. Gay's customer information placard was not available to either Mr. Gay or Ms. Vejar at the time Staff inquired about the list of services provided or to be provided by the pay telephone and the proposed rates to be charged (See Response to JFB2-6). Pursuant to the Commission-approved Generic COPT Tariff, a list of services and rates is to be listed on the customer information placard. In JFB2-4, Ms. Vejar stated that Table Top would be the local exchange carrier ("LEC") provider. According to the response to JFB2-7, there is no difference between the customer of record and the premises owner. Mr. Gay owns the public telephone and the location where the telephone is installed or to be installed.

Staff contacted Table Top Telephone Company, Inc.'s Customer Service Manager, Ms. Lisa Rossi, on December 18, 2007, to determine whether ABC Gringo, Inc., Gringo Pass, Inc., Mr. A.E. Gay or Ms. Annie Vejar had applied or obtained an access line to be a COPT provider. Ms. Rossi stated that none of the names mentioned had applied for or obtained an access line to be a COPT provider.

The customer information placard furnished by Mr. Gay on January 5, 2006 identifies Pacific Communications as the operator of the pay telephone. On December 18, 2007, Staff contacted Mr. Thomas Bade, President of Pacific Communications, LLC. Mr. Bade stated that Pacific Communications, LLC used to provide telephone service in Lukeville, Arizona but does not now provide service there.

On January 3, 2008, Mr. Gay filed his response to Staff's third set of data requests. Mr. Gay stated that he received \$21.64 from Pacific Communications, L.L.C. for the year ending 2006. Mr. Gay stated that he received no income in 2007 and Lukeville has been without a pay telephone for at least six months. Mr. Gay further stated that Staff's questions concerning the whereabouts of Mr. Gay's public telephone "... have no bearing on our July 2003 Application."

Based on Mr. Gay's responses to Staff's data requests and information obtained from Table Top Telephone Company, Inc. and Pacific Communications, LLC, Staff believes that Gringo Pass Inc.'s customer information placard does not reflect current and accurate conditions of the application and Gringo Pass Inc.'s COPT application should be denied.

Therefore, Staff recommends that the Commission deny Gringo Pass Inc.'s application to obtain a CC&N to provide COPT telephone service in Arizona.

If Mr. Gay wants a CC&N to provide public pay telephone service, Staff recommends that that he contact the local exchange carrier to apply or obtain an access line to be a COPT provider, provide an updated customer information placard, and file a new COPT application using the appropriate name of the business entity as the Applicant.

EGJ:JFB:kdh

Originator: John F. Bostwick

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: GRINGO PASS INC.
DOCKET NO. T-04191A-03-0482

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Ajo, Arizona 85321

Mr. Thomas Bade, President
Pacific Communications, LLC
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